



## NEWS RELEASE

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## **Drug Treatment Center Co-Owner Sentenced to 11 Years in Fraudulent Billing Scheme**

The co-owner of a Los Angeles drug and alcohol treatment facility pleaded guilty today to 46 felony counts related to a \$175 million fraudulent health care billing scheme, the Los Angeles County District Attorney's Office announced.

Los Angeles County Superior Court Judge Charlaine Olmedo immediately sentenced Kirsten Wallace (dob 4/3/73) to 11 years in state prison, Deputy District Attorney Shaun Gipson of the Healthcare Fraud Division said.

Wallace entered an open plea to five counts of insurance fraud, seven counts of grand theft of personal property, six counts of identity theft and 28 counts of money laundering. The open plea means a sentence was not negotiated with the District Attorney's Office.

A restitution hearing is scheduled for April 17 in Department 105 of the Foltz Criminal Justice Center.

Wallace and Christopher Bathum (dob 9/22/61), who together owned Community Recovery of Los Angeles, were charged in the billing scheme in November 2016. The company operated treatment centers in Southern California and Colorado.

Gipson said the two defendants allegedly obtained multiple health care insurance policies for their clients by using their personal identifying information and falsified the clients' circumstances to obtain the policies. The patients were unaware that policies had been issued in their name, the prosecutor said.

Bathum and Wallace also are accused of billing former clients after their treatment ended while those clients were still working at Community Recovery and no longer receiving treatment.

Between June 2012 and December 2015, Bathum and Wallace allegedly fraudulently billed an estimated \$175 million, Gipson said.

In most instances, bills were sent for services allegedly never provided. About \$44 million was paid out by five insurance companies, the prosecutor said.

Bathum is charged with the same 46 counts as Wallace had faced. His next scheduled court appearance is a pretrial conference also April 17 in Department 105.

Bathum faces up to 45 years and four months in state prison if convicted as charged.

Last month in a separate case, Bathum was convicted of sexually assaulting seven women who were patients at his treatment center.

A sentencing setting hearing in that case is scheduled April 17 in Department 105. The defendant faces a maximum possible sentence of about 65 years in state prison and lifetime sex offender registration.

Case BA451664 was investigated by the California Department of Insurance and the District Attorney's Office's Bureau of Investigation.

#### **[About the Los Angeles County District Attorney's Office](#)**

Los Angeles County District Attorney Jackie Lacey leads the largest local prosecutorial office in the nation. Her staff of nearly 1,000 attorneys, 300 investigators and 800 support staff members is dedicated to protecting our community through the fair and ethical pursuit of justice and the safeguarding of crime victims' rights.